

Citizens Audit Review & Financial Advisory Committee
March 19, 2014 7:00 p.m.
Radnor Township Municipal Building
Finance Department, 2nd Floor
301 Iven Avenue, Wayne, PA 19087

Meeting Minutes

The meeting was called to order by the Chairman Mark Blair at 7:00 p.m. The meeting was attended by CARFAC Committee members: Mark Blair, Ed Caine, Jerry Linden, Joe Ellis, and Leigh Gourmand. Committee members Laurent Chardonnet, Karl Bupp and Michael Antonoplos had conflicts and were unable to attend. Township staff members present were Finance Director Bill White, and Assistant Finance Director Bob Tate. To present information relative to the GASB 67 and 68 pronouncements, Nancy Gunza was in attendance and Colleen Deer phoned in. Nancy Gunza represented CliftonLarsonAllen, the Township's independent auditing firm, and Colleen Deer represented Mockenhaupt Benefits Group, the Township actuarial firm.

The Committee discussed the following items:

1. **Review of GASB 67 and 68:** Nancy Gunza provided CARFAC with a presentation which included an overview of the two pronouncements and what their impact would be to the Township's financial statements. Presentation attached. Highlights from her discussion included:
 - Implementation: Disclosed in the 2013 statements, GASB 67 in 2014 and GASB 68 in 2015. CARFAC discussed and agreed that if the Township was able to include the additional pension contributions and market gains in the 12/31/2013 actuarial update, then it should prepare a pro-forma report that presents the pension liabilities as if the Township were implementing the new pronouncements with the 2013 CAFR. The Township Administration will meet with Mockenhaupt and GFOA to assess whether this can be done and how it can be reported.
 - Plan vs. Sponsor Question: Simply put, the Plan is represented in the financial statements in the Fiduciary Statements and the Employer is the Township which is represented by the governmental statements.
 - Interest Rate Assumption: Due to Pennsylvania's Act 205, which mandates an annual pension funding obligation ("MMO") that includes a funding mechanism for correcting shortfalls in the interest rate assumption, the analysis that determines the correct interest rate is subject to the audit process.
 - Actuary update: CARFAC agreed that so long as the additional pension contributions and the investment gains from 2013 are included, that an updated actuarial update should be completed. The Administration will meet with Mockenhaupt to determine if that is the case.

2. **Update on Ardrossan Financing Meeting / Status:** Chairman Mark Blair and Finance Director Bill White provided a brief update to CARFAC on the Ardrossan working group meeting that took place on March 7th. At this point, it was determined that the Township Administration should prepare itself to go out to market, but until the land development plans for Ardrossan are

submitted, there is no need to proceed with analyzing the benefits of issuing bonds. Once the land development plans are submitted, then CARFAC will reconvene to assess available options.

Additionally, the Committee discussed the process by which the future bonds will be sold. The Committee discussed the various options available to the Township and asked Finance Director Bill White to prepare a summary of those options and the benefits / downsides for each. CARFAC will then evaluate the options and make a recommendation to the Township.

3. **CARFAC Priorities Discussion / Assignments:** CARFAC discussed how to assign the 2014 priorities to working groups in an effort to get moving on them; noting that priority #1 concerning the Ardrossan funding analysis was already substantially complete. The summary of the decisions were:
 - Recommend Treatment of One-Time Revenue: Finance Director Bill White will schedule a working group meeting, inviting all members of CARFAC. The goal of the meeting will be to broadly define what “one-time revenue” means and then provide broad goals of the treatment might be. Once one-time revenue is defined and CARFAC has agreed on broad treatment goals, then the Planning Working group will incorporate specific examples into the forecasting plan and develop specific recommendation(s) to bring back to the entire CARFAC.
 - All the other priorities (see meeting agenda) will be assigned based on a volunteer basis: Finance Director Bill White will email the priorities to all the members of CARFAC asking them to indicate which topics they are interested in working on. Based on that feedback, the priorities will be assigned accordingly.

4. **Old Business:** CARFAC had update discussions that included the following topics:
 - Willows Adaptive reuse RFP process including the where the process is at and the direction provided by the Board of Commissioners at the February 24th meeting. Jerry Linden
 - “MUST” Ordinance / BioMed Development
 - “CICD” Ordinance / Villanova Development
 - Act 511 discovery firm question
 - Leigh Gourmand announced that she will be stepping down from CARFAC after June to take on new priorities. She will be letting the Board of Commissioners know soon, so they can start the process of finding a replacement candidate.
 - Mark Blair provided an update on the response that he received from Commissioner Schaefer regarding the Memorandum recounting CARFAC’s 2013 accomplishments and 2014 priorities.

5. **Public Participation:** None.

6. **Adjourn:** Being no further business, the meeting was adjourned at 9:10 p.m.